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FISCAL IMPACT STATEMENT

LS 7471

BILL NUMBER: HB 1550

NOTE PREPARED: Feb 13, 2009

BILL AMENDED:

SUBJECT: Back Country Areas.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that back country areas of Yellowwood State Forest and Morgan-Monroe State Forest may not be developed in a manner that permits motorized access, commercial logging, or commercial activity.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) The bill would result in a reduction in expenditures by the Department of Natural Resources (DNR) for developing certain forest areas in a manner that would allow for motorized access, commercial logging, or commercial activity.

The state currently has scheduled two stands to be harvested in 2009 from the Morgan-Monroe back country area. Costs to the state to log these stands are estimated at \$4,000. Harvesting of the area would be conducted on a 20-year rotation, so costs would be annual.

Explanation of State Revenues: (Revised) If areas do not permit commercial logging, the state would not be able to sell timber from the specified areas. The state currently has scheduled two stands to be harvested in 2009. The value of these stands is estimated at \$79,000.

If the land were not harvested, the state and local community might still receive tourism revenue from hikers, hunters and fishers, and other recreational users of the forests. The DNR might also receive revenue generated from primarily hunters who use the area and would require licenses.

(Revised) Background: In Indiana, over 3.8 million acres of forests are privately owned. The state owns 150,000 acres. The state has three to four back country areas. There are a little over 3,000 acres in the Morgan-Monroe back country.

If the DNR adopted a 20-year harvest, 150 acres would be harvested each year. Based on average sales prices for the past four years, annual sales of the timber would yield \$79,855 at a cost of \$4,000. The Monroe County percent would equal a little over \$11,000.

Explanation of Local Expenditures:

Explanation of Local Revenues: See *Explanation of State Revenues* above.

State Agencies Affected: DNR.

Local Agencies Affected: Monroe County.

Information Sources: DNR, <http://www.in.gov/dnr/forestry/5270.htm>, DNR presentation, House Natural Resources Committee, 2/11/09.

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